



NEBRASKA DEPARTMENT OF INSURANCE **INSURANCE FRAUD PREVENTION DIVISION**

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2004 - Insurance Fraud Statistics

Source: Information compiled from the Nebraska Insurance Information Management System.

2004 Statistics

The IFPD received a total of **380 referrals** during 2004.

During 2004, a total of **14 investigative summary reports** were referred to a county attorney for prosecution.

A total of **88 referrals** were reviewed and/or investigated and subsequently **closed due to insufficient evidence** to prosecute under the Nebraska Insurance Fraud Act. The referral looked suspicious, but after reviewing and/or investigating the complaint, the requisite evidence was lacking to prosecute under the Insurance Fraud Act.

Allegations of insurance fraud were **unfounded in 9 referrals**.

During 2004, **6 convictions** occurred on referrals submitted by the IFPD for prosecution.

Insurance fraud case referrals were reported from 41 Nebraska counties. Douglas, Sarpy, and Lancaster Counties account for 62% of our referrals and the balance, 38%, were located in greater Nebraska.

- Property and casualty fraud accounted for 87% of the IFPD referrals.
- Internal and agent fraud accounted for 7% of the IFPD referrals.
- Life and health fraud accounted for 6% of the IFPD referrals.

Not all of the referrals identified a dollar amount of fraud. The cases that did report an estimated dollar amount of fraud totaled over **\$2 million dollars** of actual and potential losses.

Insurance Fraud Categories

The IFPD classifies insurance fraud into 15 general types of fraud. The general categories also have sub-categories.

Fraud Category	Insurance Type	Cases	Reported Losses (Actual/Potential)
Agent	<i>Internal</i>	23	210,641.78
Arson	<i>Property/Casualty</i>	6	278,565.52
Auto Bodily Injury	<i>Property/Casualty</i>	37	15,806.51

Auto Property	<i>Property/Casualty</i>	167	314,859.39
Commercial Auto	<i>Property/Casualty</i>	6	0.00
Commercial Property	<i>Property/Casualty</i>	9	93,200.00
Credit	<i>Property/Casualty</i>	4	9,155.30
General Liability	<i>Property/Casualty</i>	7	1,500.00
Homeowner	<i>Property/Casualty</i>	45	946,369.79
Internal	<i>Internal</i>	4	0.00
Life	<i>Life/Health</i>	1	0.00
Medical/Health	<i>Life/Health</i>	16	102,485.39
Other	<i>Unknown</i>	3	0.00
Title	<i>Internal</i>	2	0.00
Workers' Compensation	<i>Property/Casualty</i>	50	31,183.15
Total		380	\$2,003,766.83

During 2004, the IFPD investigated the following types of fraud cases:

- **Agent Fraud** – conversion; faked policies, certificates, cards, or binders; falsified/forged documents; and pocketing premiums.
 - **Arson/Suspicious Fire** – home/residential.
 - **Automobile Bodily Injury** – fake injuries; inflated injuries; opportunistic injuries; and staged accidents.
 - **Auto Property** – body shop fraud; fake damages; forged/fake/alterd insurance cards; forged/falsified documents; glass; inflated damages; owner give-up/ditching; past posting; prior damage; property theft from vehicle; staged theft; vehicle arson; vehicle theft; and vehicle vandalism.
 - **Commercial Auto** – staged/caused accidents.
 - **Commercial Property** – farm loss.
 - **Credit** - disability.
 - **General Liability** – forged/falsified document and slip & fall.
 - **Homeowner** - faked loss of personal property; forged/falsified documents; inflated claim; phony burglary and theft claims.
 - **Internal Fraud** – agent, adjuster, or personnel claim rings..
 - **Life.**
 - **Medical/Health** - billing/coding; disability; forged/false documents; and pharmacy.
 - **Title Insurance.**
 - **Workers' Compensation** - claimants working while collecting disability benefits (double-dipping); excessive charges/unnecessary; fake injuries; false and/or misclassification reporting; injury unrelated to work; malingering; and prior injuries.
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